

Land Management Contracts: Tier 3 scope and content from 2007

LINK Agriculture Task Force (ATF) submission to SEERAD
November 2004

Agriculture policy has huge potential to shape the future of Scotland's environment – either harmfully or beneficially. Scotland's environmental losses to agriculture in the last 50 years, largely driven by the CAP, have been catastrophic. The future of most of Scotland's remaining semi-natural farmland habitats, outside protected areas, depends almost exclusively on changes to current agriculture policy.

LINK ATF has welcomed the proposal for Land Management Contracts (LMCs) and the introduction of limited Tier 2 measures in 2005. We believe that the full Land Management Contracts, to be delivered in 2007 against the framework of CAP and the new Rural Development Regulation, must focus on the **demonstrable delivery of public goods (environmental, social and economic)**. The Scottish Executive must take the lead in promoting this change. Such action will increasingly be demanded by taxpayers, who will not accept public money being spent on industry support for no apparent public gain.

Within this context, we emphasise that the vast majority of the subsidy paid to farmers, even after CAP reform, continues to pay for 'economic goods' in the shape of the Single Farm Payment and, to a lesser extent, LFASS. **Environmental and social measures must therefore comprise the bulk of the measures in Tiers 2 and 3** in order to achieve a balance within the constraints of the CAP framework. It is important that the philosophy, aims and content of Land Management Contracts are fully debated and designed through an inclusive stakeholder process, and that time is taken to get LMCs right for Scotland.

Finally, as the Custodians of Change report recognised, agriculture policy in Scotland requires better integration with other land use policy, particularly those areas of recent legislation that require significant input from farmers such as the Water Environment and Water Services (Scotland) Act 2003, the Land Reform (Scotland) Act 2003, and the Nature Conservation (Scotland) Act 2004. There are significant opportunities in Tier 3 of LMCs to achieve this, particularly given the wider range of permissible activities in the Rural Development Regulation from 2007. We urge the Scottish Executive to use this opportunity for policy integration to full effect.

This paper gives LINK ATF's initial ideas for the structure and content of LMC Tier 3 from 2007, as follows:

- **Agri-environment: the Rural Stewardship Scheme**
 - Agri-environment scheme structures and mechanisms
 - Additional agri-environment measures
- **Diffuse pollution**
- **Flood management**
- **Coastal re-alignment**
- **Organic agriculture**
- **Forestry**
- **Access**
- **Historic environment**
- **Climate change**
- **Cattle retention**
- **'Social' measures in Tier 3**
- **'Economic' measures in Tier 3**

Agri-environment: the Rural Stewardship Scheme

The RSS was devised in consultation with stakeholders, and has become a scheme that is recognised to deliver biodiversity benefits in the farmed environment. As budgets have increased and uptake has become more widespread, RSS has gained credibility amongst farmers and stakeholders alike. The further development of Tier 3 of LMCs (particularly in the light of the new Tier 2 scheme) is an ideal time to examine the Rural Stewardship Scheme and determine whether it could be further improved. A review would also be a good opportunity to re-assess any elements of existing prescriptions that could work better.

LINK ATF recommends that a thorough review of the Rural Stewardship Scheme is conducted by the Scottish Executive in early 2005, with stakeholders. This should examine both the structure and mechanisms of the scheme, and the prescriptions that it contains and the outcomes of the RSS to date. LINK ATF and its constituent organisations would be more than happy to help with such a review. We also strongly advise that both farm advisers (FWAG and SAC staff, etc) and farmers in the scheme are involved in the review.

Below are some initial thoughts from LINK ATF on how the RSS could be improved. Many of the principles outlined would be appropriate for wider extension to Tier 3 grants as a whole.

Agri-environment scheme structures and mechanisms

Flexibility and regional targeting

Many RSS prescriptions would benefit greatly from the introduction of local flexibility in interpretation and application to account for geographical variations in climate, soils, agricultural systems, timing of agricultural operations and the distribution of key species and habitats. For example, many lowland grazing schemes do not fit within the current restrictions prescribed in RSS, although they may be perfectly suitable to maintain and enhance the habitat in question; some habitats may be more fragile requiring more finely-tuned prescriptions that must be allowed for in the scheme; and scheme prescriptions designed to have benefits for geographically localised species such as corncrake, chough or corn bunting should be strongly encouraged within or on the edges of their geographical ranges, but not elsewhere.

The current ranking system used in RSS does not ensure that local priorities are taken into account, and a more appropriate means of assessing local circumstances will be required for LMCs. One method of ensuring local interpretation and application of Tier 3 would be through a network of project officers.

Links with LBAPs

Actions in the Scottish Biodiversity Strategy and local BAPs must be targeted and achieved regionally through Tier 3, with more detail than the current scoring system in RSS.

Use of non-statutory site systems

LINK ATF recommends that non-statutory sites, as the areas outside of statutory sites that have the highest levels of biodiversity or historic interest on a regional and local basis, must be given more precedence in the Rural Stewardship Scheme. This will help to prioritise action and identify existing survey and management information that would be useful in drawing up individual RSS agreements.

A briefing on Local Sites (Wildlife Sites) is attached, and further information on non-statutory sites for historic interest is available from the Council for Scottish Archaeology. The importance of Local Sites is recognised in the Scottish Biodiversity Strategy, with appropriate targets being developed in its various Implementation Plans at present.

There is considerable scope within RSS, and perhaps Tier 3 more widely, for:

- More information on non-statutory sites to be included within the technical guidance for RSS
- Potential to raise awareness of Wildlife Sites amongst SEERAD staff and RSS advisers (FWAG already promote management of the sites where possible, but we consider that there is a low awareness of Wildlife Sites in many organisations)
- Advice on agri-environment to include targeting and appropriate management for non-statutory sites as a matter of priority.

Data for selecting sites should be derived from the standard environmental audit, but the selection of non-statutory sites for management could be prioritised either by ranking points or according to defined local priorities such as LBAPs or key regional historic survivals.

Information on the nature, extent and condition of environmental features identified must be reported and put onto publicly accessible databases, as part of the Environmental Information Regulations. Processes for doing this should be clearly identified.

Audits and monitoring

LINK believes that no Tier 3 Measures should be introduced without a comprehensive environmental audit of each farm unit. Though possibly based on Tier 2 Farm Plans environmental features on every farm must be 'ground-truthed' by professional advisers, forming part of the accredited Farm Advisory Service. LINK recognises that current capacity will not allow all farms in Scotland to access Environmental Audits by 2007, but believe that SEERAD should identify specific resources to accelerate the programme of farm audits.

Better monitoring of the RSS is also required to ensure that environmental improvements in plans are being achieved and to help inform future management.

Landscape-scale and collaborative work

Any review of RSS, and the derivation of other Tier 3 measures should take account of the importance of spatial scale. Some prescriptions (for example, flood management) are more likely to deliver substantial and enduring biodiversity benefits if applied at a landscape (catchment) scale, perhaps across several land holdings. In cases such as this, where a prescription is more likely to be effective if applied across a large contiguous area, more consideration should be given to facilitating and encouraging joint applications. This also applies to other projects where collaborative applications would lead to greater benefits than a number of individual applications, for species, habitats or historic or cultural environments.

SEERAD should work with SNH and others to develop the draft paper *Rural Stewardship Scheme Collaborative Applications* to identify measures to promote wider collaborative measures. This will include biodiversity and catchment level management discussed above. Consideration must also be given to the development of forest habitat networks, green corridors and continuous woodland along and around watercourses

For landscape this will require some form of regional planning based on both Landscape Character (LCA) and Historic Landuse Assessment (HLA) to define key components of the farming landscape that may require enhancement. Planning work done as part of Tier 3 Measures should then inform the protection of the landscape in both the Tier 2 Farm Plan and Measures and in features requiring protection under Tier 1 GAEC Cross Compliance conditions.

Some Tier 1 compliance and Tier 2 measures, such as the protection of linear features, may already have a landscape level effect. The identification of, for example, dykes & hedges that are significant features in the landscape may require to be prioritised over features that are less significant in the landscape.

Definition of significance may well have to be done on a farm by farm basis but should be underpinned by LCA and HLA regional planning.

Additional agri-environment measures

LINK ATF recommends that the RSS would benefit from the addition of a number of new measures, and a number of others would do well to be revised. It may also be appropriate to use the vehicle of the RSS to add prescriptions for larger items following this section.

Achieving a wide range of Scottish Biodiversity Strategy and LBAP targets

RSS prescriptions targeted at particular habitats and species have, to date, resulted in biodiversity benefits in the farmed environment. Extending the range of taxa and habitats beyond those currently within the schemes would spread these benefits even more widely, and LINK ATF feels strongly that appropriately designed prescriptions for under-represented habitats and species should be incorporated into RSS, and ultimately Tier 3, in addition to the existing prescriptions.

The development of Scotland's priority list for habitats and species, currently being undertaken as part of the Nature Conservation (Scotland) Act 2004's requirements, should provide a good start for establishing national priorities. At the regional and local levels, LBAP targets should be re-examined to ensure that the correct habitats and species are being targeted. There should be allowance within a flexible system for more closely-targeted prescriptions for rapidly-declining species.

Some ideas on new RSS prescriptions from LINK ATF members include:

- Prescriptions benefiting rare plants, including arable weeds
- Prescriptions for water vole conservation, including sensitive ditch management and mink control
- More detailed and tailored prescriptions for the sensitive management of lowland raised bogs, including drain blocking, scrub removal and tailored grazing regimes
- A (possibly combined) prescription for Marsh Fritillary and Narrow Bordered Bee-hawk moth, both declining priority UK BAP species, which need careful grazing on unimproved and semi-improved grassland and heath
- Enhancement of ponds and reservoirs for biodiversity
- New measures to reduce diffuse pollution (see below)
- New measures to achieve sustainable flood management (see below)
- A new measure for managed re-alignment (see below)
- A revision of woodland measures (depending on integration of SFGS and LMCs) (see below)

In addition, further measures on the historic environment, access, organic agriculture, climate change and cattle retention may be appropriate for integration into the RSS, or they may be more appropriate as stand-alone measures within Tier 3.

Balancing the RSS against Tier 2 prescriptions

In addition to a review of where local interpretation and application would benefit existing RSS prescriptions, there is also a need to re-balance RSS in the light of the introduction of Tier 2 measures. In formulating LMCs, it is important that elements of the three tiers fit with the principles agreed by stakeholders that guide these tiers. The discretionary Tier 3 should deliver focused benefits leading to enhancement, whilst the more broad-brush, non-discretionary measures in Tier 2 should deliver widespread benefits, leading to improvement. A review of existing RSS prescriptions will reveal whether some elements of these are better suited to Tier 2, and how the remaining elements of the prescriptions are framed. For example, elements of moorland management may drop from the RSS prescription into Tier 2 if proposals for a moorland management plan are adopted and worked up.

Tackling priorities

An environmental audit for Tier 3, together with regional targeting, should identify those features and habits most in need of management. In contrast to the self-selection process of Tier 2, Tier 3 payments should be targeted at repairing or enhancing features of the greatest environmental interest. While it should remain up to the individual farm owner to decide whether to adopt these measures, the selection of which features are to be managed should be based on informed judgement as to which features are most in need of management. This process would benefit enormously from a network of specialist project officers to provide advice.

Diffuse pollution

Agriculture is a large contributor of diffuse pollution, and although recent years have seen the development of Nitrate Vulnerable Zones and limited measures to prevent diffuse pollution under GAEC, LINK ATF believes that these measures alone will not be enough to adequately control diffuse pollution from agriculture or meet the requirement of the Water Environment and Water Services (Scotland) Act 2004.

The following proposals for LMC prescriptions for diffuse pollution and soil erosion are predicated on the fact that GAEC conditions and Tier 2 proposals for 2005 will not deliver what LINK ATF had hoped in this area. Although we propose a Nutrient Budgeting Plan as a Tier 3 measure here, this should more appropriately form part of GAEC, in order that all farmers become familiar with the WFD requirements ahead of time. There should be opportunities to amend GAEC in the coming years (2006/7) before the introduction of full LMCs, and at this point we would like to see Nutrient Budgeting form part of GAEC. The

two measures proposed below are in addition to the existing RSS prescription for water margins, which we support.

Nutrient budgeting

One plan is required for the whole farm. This prescription must involve calculating soil nutrient requirements, timing and appropriateness of field activities, designing features such as buffer strips, riparian habitat and water access and crossing points to avoid N and P leaching/run-off. The Four Point Plan for the control of diffuse pollution offers a worked-up model of how such a scheme would work.

Enhanced buffer strips

Enhanced buffer strips would be suitable for areas used for intensive agriculture – e.g. dairy farms. Current Tier 2 buffer strips of 3-5m will not be enough to reduce impacts of diffuse pollution. Intensive areas will require buffer protection ranging between 6-15m of buffer strips, depending on the slope. This prescription has a great potential for biodiversity and the control of diffuse pollution.

Flood management

There is a duty under the Water Environment and Water Services (Scotland) Act 2003 for sustainable flood management. The Government's 'Foresight' report predicts that floods in Scotland will increase in their severity and frequency. We will also have to endure an increase in summer flooding. The Executive has stated that both low frequency, high magnitude floods and high frequency, low magnitude floods will require management with other than traditional 'hard' engineering methods, for which there is a budget of only £80 million over the next 5 years.

Public subsidy through the Rural Development Plan could be used to help farmers deliver effective flood management for the taxpayer. Most types of flood are generated in the upper and middle reaches of river catchments. Consequently, there is an important role in this context for land users and particularly for farmers. Multiple, small works in river catchments will alter the rate of run-off and have a substantial mitigating effect on flooding further downstream. Examples of works are: the restoration of bogs/wetlands, reconnection of the burn/river with its floodplain, modification of hill drains, de-ditching and re-introduction of meanders, planting of riparian woodlands, control of cattle poaching to reduce bank erosion, and restoration of riparian meadows.

This is a unique opportunity for the Executive to integrate its agriculture and environmental policies. Costs could be recovered for restoring the naturalness of the catchment and for providing the function of natural flood management. The benefits to the community and the environment would be significant and would help justify the level of public support given to farming in Scotland.

The following proposed measures have multiple benefits in terms of flood management, diffuse pollution and biodiversity. They are proposed in addition to current RSS wetland measures.

Creation and management of wetlands on naturally functioning floodplains and around water courses

This prescription should apply to areas which are regularly inundated with water and which are currently protected by 'small' flood defences. This would provide additional flood storage, slow down water flow during a flood event, reduce agricultural run-off and contribute to the delivery of biodiversity commitments.

Management of wetlands designed for the purpose of flood mitigation

This should be a separate prescription for areas involved in Council flood alleviation schemes. As we move towards applying the sustainable flood management in practice, Councils will be required to use water storage areas along a catchment to manage water flows rather than use hard engineering structures. These storage areas should be as natural as possible and include recreation/rehabilitation of wetland or wet woodland. Subsequent management of newly created water storage areas should attract a considerable payment under RSS.

This prescription is very important if sustainable flood management is to work in practice. Tier 3 prescriptions should include the wider floodplain management (for land saturated at 1:100 flood event) and also attract top up payment for wetland management.

Local Authorities will also need to compensate farmers for the loss of land through a 'one-off' payment, and subsequent payments should be provided via LMCs.

Creation/restoration and management of upland bogs

This prescription would contribute to the reduction of run-off, improve soil quality, and reducing diffuse pollution. It would also slow down rain run-off during heavy rainfall, contributing to flood management. A prescription for management of watercourses in upland areas could also be devised.

Coastal re-alignment (managed retreat)

Gradual increases in sea level due to climate change mean that sea defences in some areas of Scotland will be over-topped more frequently, leading to increased flooding inland and erosion of intertidal areas such as mudflats and saltmarshes. Intertidal habitats are extremely important for wildlife. Scotland is committed to international obligations to protect and restore these habitats under the EC Habitats Directive and Birds Directive as well as national commitments to achieve UK Biodiversity Action Plan targets. In winter Scotland's saltmarshes are important roosting areas for waders, such as bar-tailed godwit and provide feeding habitat for geese and ducks (e.g. widgeon). During summer, saltmarsh is an important habitat for breeding waders such as redshank. Intertidal mudflats are themselves important feeding areas, particularly during winter where the rich feeding grounds for shellfish eating birds such as oystercatcher support tens of thousands of wintering shorebirds and waterfowl. Mudflats can also be important 'nursery' areas for millions of young fish and shellfish.

These habitats also form a major natural defence from the actions of the sea, 'cushioning' the coast from wave action and dissipating the energy of storms.

Currently there are no provisions in agri-environment schemes in Scotland to support the creation of/reversion to intertidal habitats from agricultural land. Payments for capital works and annual maintenance for saltmarsh or intertidal sand/mudflat are available to farmers in England (through the Countryside Stewardship Scheme, and proposed for Higher Level Stewardship) and Wales, although not so far in Scotland.

This prescription would apply to arable land and grassland areas, which have been historically reclaimed for agriculture, and would contribute to sustainable flood management, buffering rising sea levels, achieving BAP targets, enhancing landscape features and can also protecting archaeological sites. If farmers/landowners are to be encouraged to undertake managed retreat they could justifiably ask for support to help them undertake works and as 'compensation' for income forgone/lost from the areas retreated. Tier 3 is a key mechanism to deliver this.

In designing appropriate payment levels for an agri-environment scheme to encourage managed retreat it will be important to balance compensation for the value of lost production against the value of savings to the landowners on reduced flood defence expenditure. Hence, because the responsibility for maintaining defences rests with the landowner in Scotland, annual maintenance/compensation payments may not, therefore, need to be as high as in England/Wales. Capital costs are likely to be similar, however.

Organic agriculture

LINK ATF believes that the potential role of organic husbandry systems toward delivery of some of the aspirations of LMCs must be recognised and fully incorporated into the LMC model. It should be noted that DEFRA have developed a fully integrated Organic strand within the Entry Level Scheme, whereby certified organic farmers may accumulate a points total that clearly recognises the substantial contribution that organic farming can make to positive environmental gain.

In Scotland, LINK ATF assumes that the Organic Aid scheme Conversion payments will be included as a Tier 3 prescription, and that the maintenance payment could 'fit' in Tier 2. Which ever way the OAS is included, it is essential that it is developed in parallel with other work, and consideration should be given to further integration with other schemes. Without development of an OAS that is fully worked up with 'appropriate' associated prescriptions, we may see further anomalies such as conservation headlands being included as environmental prescriptions on organic farms.

The Scottish Executive is also clearly obligated to proceed further toward delivery of the Organic Action Plan and must therefore insist that the OAS is accessible, consistent and logical in its delivery.

Listed below are two areas in which organic farming practice can help deliver public goods through LMCs.

Biodiversity and wildlife friendly farming.

Recent research has shown that the wildlife that is more abundant on organically farmed land has more generally suffered severe declines across the landscape in recent history. These species evolved alongside agriculture in Europe and depend on many key aspects of traditional and organic systems, which have been largely abandoned by intensive farming. These include mixed crop and livestock enterprises, not using agrochemicals, more supportive habitats such as field margins and hedgerows, and relatively low livestock grazing levels.

Organic farming is an efficient way of supporting wildlife throughout the farm system, subject to independent certification. There may be a significant contribution to BAPs by further encouragement of organic practice, and more research is needed in this area in Scotland.

Pollution, leaching and energy efficiency.

Organic farming does not generally rely on agrochemicals, and is less likely to contribute to pollution and also to create less waste. This has clear implications for the Water Framework Directive and other statutory environmental mechanisms. Moreover, as organic farming is organic-matter dependent, rather than synthetic inorganic fertilizer-dependent, it tends toward greater energy-efficiency, whilst maintaining and building up soil carbon reserves. Research shows that organic farming requires only about half as much fossil fuel energy as non-organic farming, to produce the same quantity of food, mainly because it cuts out the energy used to make fertiliser. Climate change concerns are therefore implicated in decisions over support for various types of farming practice.

Forestry

The integration of forestry and agriculture has taken a positive turn with the reform of CAP and the draft RDR (2007-13). The work of the LMC Forestry Technical Group has brought together SEERAD, FCS as well as timber and environmental interests. LINK ATF was supportive of the recommendations from this group to the LMC Working Group including the measures in Tier 2 for Farm Woodland Planning and Farm Woodland Management to an agreed standard. These measures have the potential to bring a substantial amount of fragmented and unmanaged native woodland under active management with associated environmental and social gains.

The LMC Forestry Technical Group also proposed that LMCs are extended to include all forest land by 2007. This is to be welcomed. However, care must be taken to ensure that SFGS is completely integrated into LMCs so that farmers and landowners need only fill in a single form for Tier 3 grants. The service to farmers and landowners must be seamless to be effective. In addition, advisory should not be from a number of different departments but from one source, taking advice on more advanced silvicultural practice from experts. An intensive training programme to ensure that farm advisors are able to advise on forestry and woodland issues is therefore essential.

Current woodland measures within the RSS should be revised and improved for inclusion in Tier 3 and should complement measures in Tier 2. For example, it is now widely accepted that scrub must be cut, at a rate of around 10%, every year in order to maximise its ecological value. We would also like to see buffer strips around ancient trees at 15 times the diameter at breast height and a minimum of 10m strips around ancient woods. An additional measure of high environmental benefit, already included in SFGS, is the gradual restoration of Planted Ancient Woodland Sites. Tier 3 also offers the opportunity for collaborative action which could contribute to a more landscape scale approach to land use - an incentive for joint applications would be welcomed. Finally, it is difficult to fully comment on what measures we would like to see in Tier 3 until we know how SFGS is going to be incorporated into this tier of the LMC. However, it will be important to ensure that there is a range of measures covering creation, maintenance and restoration of individual, particularly ancient, trees, woodland, wood pasture and also scrub.

The reform of CAP presents forestry with a real opportunity to play a more integrated role within land use in Scotland. SEERAD and FCS should approach the matter from the point of view of the applicant and not from that of departmental boundaries in order to decrease the bureaucracy, one of the aims of reform. It will therefore be important that the incompatibility between FCS and SEERAD electronic grants systems is resolved to ensure an integrated service.

Woodland can achieve a disproportionate amount in terms of biodiversity, yet funding for woodland is currently around £20m per annum. We would therefore like to see the woodland measures within Tier 3 appropriately funded in order to provide incentives for farmers and landowners to create and manage their woodlands in a more sustainable and environmentally beneficial way.

Access

As part of Tier 3, LINK ATF believes that the Scottish Executive should enable farmers to assist outdoor access for recreation. The CAP MTR and revision of the Rural Development Plan are important opportunities to make changes and meet key policy commitments including the Land Reform (Scotland) Act 2003, Executive commitments to increasing the number of walkers, development of core path networks, development of a Scotland-wide walking tourism strategy, the Physical Activity Strategy, and delivery of the National Walking Strategy.

LINK ATF would like to see Tier 3 funding pay for infrastructure which may be more specific or advanced than that available under Tier 2, including gates, path maintenance, seats, car parks, etc. In some cases this could be a collaborative approach with farmers given a partial path access payment. eg. a path right round SWT's Montrose Basin reserve would be a good example of linking rural/urban/agriculture **and wildlife**, but it would involve many land managers with no real incentive to co-operate. Seen on an individual farm basis it would look odd with short sections of paths seemingly not going anywhere, but when linked together they would form a valuable asset.

Any Tier 3 access measures must require involvement of the farmer's local community, Local Authority, and other bodies involved in planning and local promotion of access opportunity. Measures must require some assessment of demand (ie. Resources should go where people will use them).

Historic environment

LINK ATF has welcomed the limited measures introduced into GAEC for protection of the historic environment. However, we believe that measures must be developed in Tier 3 from 2007 to ensure a much wider protection and enhancement of historic and archaeological features in Scotland.

An environmental audit for Tier 3 should identify those historical and archaeological features sites most at risk. Within this process, priority sites in terms of management need and archaeological/historic significance should be selected for management under Tier 3. Management plans should be drawn up for all protected historic environment sites including Scheduled Ancient Monuments, Listed Buildings and Designed Landscapes identified on each farm unit.

Preferential weighting should also be given to supporting the protection of historic environment features that form part of wider historic landscapes. These may be linked to collaborative proposals with other units or form part of a local or regional plan, either as part of a local access or visitor strategy. In addition the option of maintaining vernacular buildings should be restored to the agri-environment programme, as is the case for all other areas of the UK.

SEERAD should anticipate supporting a network of archaeological advice to assist this process either through strengthening existing archaeological service provision and/or by providing additional advisory support. This should include both professional historic environment support and a commitment to historic environment accreditation through a modular training programme for all Advisers forming part of the Farm Advisory Service.

Climate Change

LINK ATF believes that there should be measures in Tier 3 to tackle the contribution of agriculture in Scotland to climate change. As the Custodians of Change report points out much more work is needed to understand the role of agriculture in contributing to climate change and adapting to it. Until such work is undertaken we suggest two main areas of prescriptions.

Assisting with climate change mitigation through measures to support reduction in carbon emissions

Scottish Executive data shows that 'land use change' is one of the biggest contributors to Scotland's carbon emissions. Much of this is a result of past extensive drainage and moor gripping on peat soils. Efforts to restore peatlands to cap the carbon emissions should be encouraged through payments to support blocking of drains on bogs. This would also help contribute to UKBAP bog restoration targets.

Helping species adapt to climate change

The fragmented nature of our semi-natural and natural habitats could make it harder for species and habitats to adapt to the changing climate. There is recognition that beyond designated wildlife sites there is a need to help retain and restore semi-natural habitat including linear features to help reverse fragmentation. This could be achieved using a landscape-scale mechanism as described above.

Cattle retention for environmental reasons

LINK ATF believes that a Tier 3 measure to retain cattle in the fragile remote areas of North and West Scotland is necessary. The need to ensure cattle retention in these areas, characterised by High Nature Value farming, has been recognised with the creation of a Beef National Envelope (BNE) in Scotland that targets smaller producers with higher payments for environmental objectives.

LINK ATF supported the introduction of the BNE, as an immediate solution to the potential problem was required. However, the extent to which the envelope has tried to achieve the dual objectives of quality and environment has meant that likely payment rates fall far short of those that are estimated to be enough of an incentive to keep cattle in these areas. An appropriately devised RDR measure is the right longer-term solution, and should be introduced alongside the envelope in 2007 to make sure that cattle are retained where the systems that characterise their keeping bring about environmental benefits. The detail of the measure has still to be worked up, in order that it best targets the types of farming and crafting systems that have been identified as environmentally important.

Social measures

LINK ATF supports the introduction of 'social' measures to Tier 3 of LMCs, so long as they demonstrably lead to public benefits, do not reduce the heavy financial commitments needed for adequate environmental improvements in Scotland, and do not conflict with environmental objectives.

The requirement for traditional skills such as dyking and hedging and the protection of vernacular buildings under the agri-environment measures in Tier 3 will allow the retention of skills within local communities. Other enhancement measures under Tier 3 will also support both the farming and the wider rural community by increasing spending on a diverse range of local skills such as fencing and woodland management.

One Tier 3 'social' option could be worked up to provide aid help for land devoted to farm shop/farmers markets, box schemes or startup aid. These provide an excellent link between urban/rural populations as well as rural employment. This reduces food transport "miles", ensures quality and a perception of healthier eating. There could be an added payment for organic quality produce.

Economic measures

LINK ATF rejects any proposal to introduce economic measures to Tier 3 which do not have demonstrable and transparent public benefits. Such measures would be an inappropriate use of taxpayers' money which could be better spent elsewhere.

On this basis, **LINK ATF rejects the suggestion of introducing measures such as competitiveness, investment in holdings and processing capacity into Tier 3.** These measures would benefit the efficiency and profit of the farm business, but would bring no extra benefit to the taxpayer, and therefore could not be considered as public goods.

LINK ATF would like to see clearer evidence as to how existing LFASS payments will become targeted towards clearer environmental and social benefits as part of the LMC process, rather than forming an additional flat rate subsidy as the Single Farm Payment. There may be potential to integrate LFASS as the major economic component of Tier 3. This provides economic support, thus sustaining viable farm businesses, in clearly disadvantaged areas, and is likely to continue in 2007 (albeit under altered criteria).

Scottish Environment LINK (LINK) is the umbrella forum for Scotland's voluntary organisations working together to care for and improve Scotland's heritage for people and nature. Its member bodies have interests spanning nature conservation, recreation, landscape and archaeology.

LINK's Agriculture Task Force (ATF) represents the agricultural interests and expertise within LINK. LINK member organisations have over 500 000 members across Scotland and have much expertise in farming. Member bodies farm over 70 000 ha for biodiversity, landscape and rural development objectives directly, and through payment to farmers and crofters. We also work with farming and the wider environment by providing advice to land managers, promoting education to schools and colleges, undertaking policy research that places agriculture in the context of sustainable development, and developing dialogue between stakeholders.

The following members of Scottish Environment LINK support this statement:

- Council for Scottish Archaeology
- Ramblers Association Scotland
- RSPB Scotland
- Scottish Wildlife Trust
- Woodland Trust Scotland
- WWF Scotland

The statement also contains contributions from members of the LINK Freshwater and Climate Change Taskforces.

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